

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	§	Chapter 11
	§	
W.R. GRACE & CO., <i>et al.</i>,	§	Jointly Administered
	§	Case No. 01-01139 (KJC)
Debtors.	§	
	§	

**FEE AUDITOR’S FINAL REPORT REGARDING APPLICATION OF
HAMILTON, RABINOVITZ & ALSCHULER, INC., FOR FINAL APPROVAL
AND ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES AS CONSULTANT TO THE
OFFICIAL COMMITTEE OF ASBESTOS PROPERTY DAMAGE CLAIMANTS**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Application of Hamilton, Rabinovitz & Alschuler, Inc., for Final Approval and Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Consultant to the Official Committee of Asbestos Property Damage Claimants (the “Application”).

BACKGROUND

1. Hamilton, Rabinovitz & Alschuler, Inc. (“HRA”), was retained as consultant to the Official Committee of Asbestos Property Damage Claimants. In the Application, HRA seeks final

approval of fees totaling \$784,215.00¹ and expenses totaling \$19,043.08² for its services from March 1, 2002 through September 30, 2011 (the “Final Application Period”).

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2014, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, Issued January 30, 1996 (the “U.S. Trustee Guidelines”), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We have no issues with, or objections to, the Application, and thus we did not send an initial report to HRA.

DISCUSSION

Final Application Period

3. We note that included in HRA’s final fee and expense request are fees totaling

¹We note that the total of the fees requested in HRA’s 30 prior fee applications, plus the fees awarded in the Sealed Air Adversary Proceedings (*see* paragraph 3), is \$787,075.00. It appears that HRA has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 4, to arrive at the figure it seeks of \$784,215.00. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

²We note that the total of the expenses requested in HRA’s 30 prior fee applications, plus the expenses awarded in the Sealed Air Adversary Proceedings (*see* paragraph 3), is \$19,397.01. It appears that HRA has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 4, to arrive at the figure it seeks of \$19,043.08. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

\$223,525.00 and expenses totaling \$5,099.04 which the Court approved for HRA in fraudulent conveyance Adversary Proceeding Nos. 02-2210 and 02-2211 (the “Sealed Air Proceedings”). We did not review these fees and expenses, and we therefore make no recommendation, and take no position, concerning their final approval in this report.

Prior Interim Applications

4. We note that we previously filed the following final reports for HRA’s prior interim applications, which final reports we incorporate by reference herein, and we also note the following orders that ruled on HRA’s prior interim fee applications:

4th Period: Fee Auditor’s Final Report Regarding Fourth Interim Quarterly Fee Application of Hamilton, Rabinovitz and Alschuler, Inc. (Docket #2449), filed on or about July 29, 2002, in which we recommended approval of fees totaling \$27,945.00 and expenses totaling \$309.81. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fourth Period, dated October 9, 2002 (Docket #2797).

5th Period: Fee Auditor’s Final Report Regarding Fifth Interim Quarterly Fee Application of Hamilton, Rabinovitz and Alschuler, Inc. (Docket #3028), filed on or about November 19, 2002, in which we recommended approval of fees totaling \$42,535.00 and expenses totaling \$5,119.12, reflecting our recommended reduction of \$353.93 in expenses, as further explained in paragraph 5 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fifth Period, dated November 25, 2002 (Docket #3092).

6th Period: Fee Auditor's Final Report Regarding Sixth Interim Quarterly Fee Application of Hamilton, Rabinovitz and Alschuler, Inc. (Docket #3338), filed on or about February 6, 2003, in which we recommended approval of fees totaling \$18,575.00 and expenses totaling \$58.57, reflecting our recommended reduction of \$2,860.00 in fees, as further explained in paragraph 5 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Sixth Period, dated March 14, 2003 (Docket #3511).

7th Period: Fee Auditor's Final Report Regarding Seventh Interim Quarterly Fee Application of Hamilton, Rabinovitz and Alschuler, Inc. (Docket #3621), filed on or about April 7, 2003, in which we recommended approval of fees totaling \$13,950.00 and expenses totaling \$188.56. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Seventh Period, dated July 28, 2003 (Docket #4157).

8th Period: Fee Auditor's Final Report Regarding Eighth Interim Quarterly Fee Application of Hamilton, Rabinovitz and Alschuler, Inc. (Docket #3987), filed on or about July 1, 2003, in which we recommended approval of fees totaling \$14,625.00 and expenses totaling \$54.36. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Eighth Period, dated September 22, 2003 (Docket #4480).

9th Period: Fee Auditor's Final Report Regarding Ninth Interim Quarterly Fee Application of Hamilton, Rabinovitz and Alschuler, Inc. (Docket #4707),

filed on or about November 17, 2003, in which we recommended approval of fees totaling \$45,895.00 and expenses totaling \$4,485.93. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Ninth Period, dated December 15, 2003 (Docket #4827).

11th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Eleventh Interim Period (Docket #5675), filed on or about June 1, 2004, in which we recommended approval of fees totaling \$3,247.50 and expenses totaling \$726.05. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Eleventh Period, dated June 16, 2004 (Docket #5822).

12th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twelfth Interim Period (Docket #6320), filed on or about September 3, 2004, in which we recommended approval of fees totaling \$8,877.50 and expenses totaling \$479.86. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twelfth Period, dated September 27, 2004 (Docket #6465).

13th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirteenth Interim Period (Docket 7013), filed on or about November 22, 2004, in which we recommended approval of fees totaling \$11,640.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the

Thirteenth Period, dated January 26, 2005 (Docket #7622).

14th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Fourteenth Interim Period (Docket #7982), filed on or about March 8, 2005, in which we recommended approval of fees totaling \$11,310.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fourteenth Interim Period, dated March 22, 2005 (Docket #8081).

15th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Fifteenth Interim Period (Docket #8561), filed on or about June 6, 2005, in which we recommended approval of fees totaling \$94,492.50 and expenses totaling \$128.02. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fifteenth Period, dated June 29, 2005 (Docket #8728).

16th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Sixteenth Interim Period (Docket #9387), filed on or about September 12, 2005, in which we recommended approval of fees totaling \$45,045.00 and expenses totaling \$2,025.84. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Sixteenth Period, dated September 27, 2005 (Docket #9513).

17th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Seventeenth Interim Period (Docket

#11168), filed on or about November 28, 2005, in which we recommended approval of fees totaling \$2,272.50. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Seventeenth Period, dated December 21, 2005 (Docket #11402).

18th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Eighteenth Interim Period (Docket #12019), filed on or about March 9, 2006, in which we recommended approval of fees totaling \$10,987.50. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Eighteenth Period, dated March 27, 2006 (Docket #12121).

19th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Nineteenth Interim Period (Docket #12525), filed on or about May 25, 2006, in which we recommended approval of fees totaling \$9,505.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Nineteenth Period, dated June 16, 2006 (Docket #12660).

20th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twentieth Interim Period (Docket #13183), filed on or about September 8, 2006, in which we recommended approval of fees totaling \$19,420.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twentieth Period, dated September 26, 2006 (Docket #13298).

21st Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-First Interim Period (Docket #13963), filed on or about December 8, 2006, in which we recommended approval of fees totaling \$40,137.50. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-First Period, dated December 19, 2006 (Docket #14069).

22nd Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Second Interim Period (Docket #14868), filed on or about March 15, 2007, in which we recommended approval of fees totaling \$49,320.00 and expenses totaling \$190.11. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Second Period, dated May 3, 2007 (Docket #15494).

23rd Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Third Interim Period (Docket #16037), filed on or about June 13, 2007, in which we recommended approval of fees totaling \$13,880.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Third Period, dated June 20, 2007 (Docket #16105).

24th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Fourth Interim Period (Docket #16786), filed on or about September 10, 2007, in which we recommended

approval of fees totaling \$9,905.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Fourth Period, dated September 25, 2007 (Docket #16916).

25th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Fifth Interim Period (Docket #17542), filed on or about December 4, 2007, in which we recommended approval of fees totaling \$16,650.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Fifth Period, dated December 13, 2007 (Docket #17629).

26th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Sixth Interim Period (Docket #18176), filed on or about February 29, 2008, in which we recommended approval of fees totaling \$20,062.50. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Sixth Period, dated March 12, 2008 (Docket #18270).

27th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Seventh Interim Period (Docket #18887), filed on or about June 9, 2008, in which we recommended approval of fees totaling \$15,025.00 and expenses totaling \$177.81. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Seventh Period, dated June 23, 2008 (Docket #18989).

- 28th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Eighth Interim Period (Docket #19535), filed on or about September 15, 2008, in which we recommended approval of fees totaling \$4,375.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Eighth Period, dated October 1, 2008 (Docket #19663).
- 29th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Ninth Interim Period (Docket #20150), filed on or about November 26, 2008, in which we recommended approval of fees totaling \$4,375.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Ninth Period, dated December 17, 2008 (Docket #20283).
- 30th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirtieth Interim Period (Docket #21063), filed on or about March 21, 2009, in which we recommended approval of fees totaling \$937.50. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirtieth Period, dated April 2, 2009 (Docket #21173).
- 31st Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-First Interim Period (Docket #22047), filed on or about June 10, 2009, in which we recommended approval of fees totaling \$625.00. These recommendations were adopted in

the Order Approving Quarterly Fee Applications for the Thirty-First Period, dated July 7, 2009 (Docket #22354).

32nd Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Thirty-Second Interim Period (Docket #23240), filed on or about September 15, 2009, in which we recommended approval of fees totaling \$2,812.50. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Second Period, dated September 28, 2009 (Docket #23352).

33rd Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirty-Third Interim Period (Docket #23927), filed on or about December 3, 2009, in which we recommended approval of fees totaling \$1,562.50. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirty-Third Period, dated December 11, 2009 (Docket #23996).

42nd Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with *De Minimis* or No Fee or Expense Issues for the Forty-Second Interim Period (Docket #28548), filed on or about February 20, 2012, in which we recommended approval of fees totaling \$700.00. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Forty-Second Period, dated March 23, 2012 (Docket #28705).

5. We have reviewed the final reports and orders allowing fees and expenses for the prior interim periods, and we do not believe there is any reason to change any of the amounts

awarded for the prior interim periods.

CONCLUSION

6. Thus, we recommend final approval of \$560,690.00 in fees (\$784,215.00³ excluding \$223,525.00 in Sealed Air fees)⁴ and \$13,944.04 in expenses (\$19,043.08⁵ excluding \$5,099.04 in Sealed Air expenses)⁶ for HRA's services for the Final Application Period.

³We note that the total of the fees requested in HRA's 30 prior fee applications, plus the fees awarded in the Sealed Air Adversary Proceedings (*see* paragraph 3), is \$787,075.00. It appears that HRA has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 4, to arrive at the figure it seeks of \$784,215.00. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

⁴*See* paragraph 3.

⁵We note that the total of the expenses requested in HRA's 30 prior fee applications, plus the expenses awarded in the Sealed Air Adversary Proceedings (*see* paragraph 3), is \$19,397.01. It appears that HRA has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 4, to arrive at the figure it seeks of \$19,043.08. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

⁶*See* paragraph 3.

Respectfully submitted,

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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 31st day of July, 2014.



Warren H. Smith

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